



FOR IMMEDIATE RELEASE
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FEDERAL EMPLOYEES INDICTED FOR ACCEPTING KICKBACKS EXCEEDING \$390,000.00 FROM LOCAL BUSINESSMAN

PHOENIX -- A federal grand jury in Phoenix returned an eight-count indictment against two current Department of Energy employees, two former Department of Energy employees and the businessman with whom they agreed to accept gratuities in exchange for helping to procure a federal contract to provide temporary power dispatchers. The two current federal employees are: Timothy A. Calkins, 49, of Phoenix, Arizona and Michael S. Craig, 36, of Phoenix, Arizona. The two former federal employees are: Donald S. Bragg, 66, of Avondale, Arizona and Charles W. "Skip" Hornburg, 54, of Las Vegas, Nevada. The businessman is Ernesto A. Sanchez, 46, of Avondale, Arizona. All defendants are charged in an overall conspiracy to accept gratuities. Calkins and Bragg are also charged based on their official acts, along with Sanchez, in substantive counts of giving or taking gratuities, and Calkins and Craig are charged with false statements and witness tampering for their alleged conduct during the investigation leading to the charges.

Paul K. Charlton, United States Attorney for the District of Arizona, stated, "In this case of public corruption, current and former federal employees deprived Arizonans of their right to honest services, and the business community of their right to fairly compete."

Calkins, Craig, Bragg and Hornburg worked together at the Department of Energy's Western Area Power Administration ("WAPA") at the Desert Southwest Regional Office in Phoenix. WAPA, through its power dispatchers, delivers hydroelectric power throughout the western United States. The indictment alleges that each employee defendant unlawfully assisted Sanchez in procuring a one-year contract to provide temporary dispatchers for WAPA through Sanchez' company, Micro Business Technology ("MB Tech"). In particular, the indictment alleges that Craig informed Sanchez of an impending need for extra dispatchers, that Hornburg proposed MBTech as the contractor, that Bragg filed the initial request for temporary dispatcher assistance and that Calkins, as the Assistant Regional Manager, approved the request for temporary assistance. Sanchez paid out more than \$390,000.00 in total to the other four defendants in the 20 months following the approval and execution of the contract.

The indictment also alleges that Calkins and Craig lied to federal law enforcement agents during the investigation, that Calkins failed to disclose his business relationship with MBTech on a financial disclosure form, and that Calkins and Craig, operating jointly, attempted to dissuade Hornburg from providing truthful information to the investigators.

Each defendant will be summonsed to appear for arraignment on the charges, at which time a trial date will be set before the Hon. Mary H. Murguia. A conviction for giving or receiving gratuities carries a maximum penalty of two years imprisonment, a \$250,000.00 fine or both. A conviction for the

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overall conspiracy to give gratuities and for the false statements charges carries a maximum penalty of five years imprisonment, a \$250,000.00 fine or both. A conviction for witness tampering carries a maximum penalty of ten years imprisonment, a \$250,000.00 fine or both. In determining an actual sentence, Judge Murguia will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the Department of Energy, Office of the Inspector General, and by the Federal Bureau of Investigation. The prosecution is being handled by Gary Restaino, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-06-664-PHX
RELEASE NUMBER: 2006-126(Sanchez et.al.)

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